

DOCUMENT KEY:

1. BLUE HIGHLIGHTED LANGUAGE (ALL CAPS) = PROPOSED LANGUAGE SENT OUT BY COMMISSION FOR PUBLIC HEARING ON JUNE 25, 2003.

2. RED HIGHLIGHTED AND UNDERLINED LANGUAGE (ALL CAPS) = NEW LANGUAGE SUGGESTED BY PUBLIC COMMENT AND COMMENTS RECEIVED BY THE DEPARTMENT AND LEGAL COUNSEL AND PRESENTED TO THE COMMISSION ON 9/9/03.

3. RED HIGHLIGHTED, UNDERLINED, AND BOLDDED LANGUAGE (ALL CAPS) = ADDITIONAL AMENDMENTS FOR 10/7/03 COMMISSION MEETING.

4. Text Box = Comments by the Department

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

CERTIFICATE OF NEED REVIEW STANDARDS FOR HOSPITAL BEDS

(By authority conferred on the Certificate of Need Commission by sections 22215 and 22217 of Act No. 368 of the Public Acts of 1978, as amended, and sections 7 and 8 of Act No. 306 of the Public Acts of 1969, as amended, being sections 333.22215, 333.22217, 24.207, and 24.208 of the Michigan Compiled Laws.)

Section 1. Applicability

Sec. 1. (1) These standards are requirements for approval and delivery of services for all projects approved and certificates of need issued under Part 222 of the Code that involve (a) increasing licensed beds in a hospital licensed under Part 215 or (b) physically relocating hospital beds from one licensed site to another geographic location or (c) replacing beds in a hospital or (d) acquiring a hospital or (e) beginning operation of a new hospital.

(2) A hospital licensed under Part 215 is a covered health facility for purposes of Part 222 of the Code.

(3) An increase in licensed hospital beds is a change in bed capacity for purposes of Part 222 of the Code.

(4) The physical relocation of hospital beds from a licensed site to another geographic location is a change in bed capacity for purposes of Part 222 of the Code.

(5) An increase in hospital beds certified for long-term care is a change in bed capacity for purposes of Part 222 of the Code and shall be subject to and reviewed under the Certificate of Need Review Standards for Long-Term-Care Services.

(6) The Department shall use sections 3, 4, 5, 6, 7, 8, 10, and 15 of these standards and Section 2 of the Addendum for Projects for HIV Infected Individuals, as applicable, in applying Section 22225(1) of the Code, being Section 333.22225(1) of the Michigan Compiled Laws.

(7) The Department shall use Section 9 of these standards and Section 3 of the Addendum for Projects for HIV Infected Individuals, as applicable, in applying Section 22225(2)(c) of the Code, being Section 333.22225(2)(c) of the Michigan Compiled Laws.

~~(8) THE DEPARTMENT SHALL USE SECTIONS 6(5) AND 8(3) OF THESE STANDARDS, AS APPLICABLE, IN APPLYING-FULFILLMENT OF THE REQUIREMENTS OF SECTION 22215(1)(O) OF THE CODE, BEING SECTION 333.22215(1)(O) OF THE MICHIGAN COMPILED LAWS.~~

Dept. Comment: Subsection (8) was added to indicate that these standards fulfill Commission Requirements under P.A. 619 of 2002.

~~(9) THE REQUIREMENT FOR A CON AND THE HOSPITAL BED TRANSFERS PERMITTED TO A FSO OF UNDER SECTIONS 6(5) AND 8(3) SHALL NOT TAKE EFFECT UNLESS SECTION 22209(3)(B) OF THE CODE, BEING SECTION 333.22209(3) OF THE MICHIGAN COMPILED LAWS, IS REPEALED OR IS RENDERED INOPERABLE BY THE FINAL A DECISION OF A COURT OF COMPETENT JURISDICTION. THE REQUIREMENT FOR A CON AND THE HOSPITAL BED TRANSFERS PERMITTED TO AN EXISTING LICENSED HOSPITAL UNDER SECTIONS 6(5) AND 8(3) SHALL NOT TAKE EFFECT UNLESS SECTION 22209(3)(C) OF THE CODE, BEING SECTION 333.22209(3) OF THE MICHIGAN COMPILED LAWS, IS REPEALED OR IS RENDERED INOPERABLE BY THE FINAL A DECISION OF A COURT OF COMPETENT JURISDICTION.~~

Dept. Comment: Subsection (9) was added to indicate that these standards do not conflict with P.A. 619, 2002, Section 222209 (3) that currently exempts these transfers from any CON. These standards take effect only if Subsection (3)(b) OR (c) is repealed or infirm. An applicant cannot apply under sections 6(5) and 8(3) until Section 22209(3)(b) or (c), as applicable, is repealed or infirmed.

Section 2. Definitions

Sec. 2. (1) As used in these standards:

(a) "Acquiring a hospital" means the issuance of a new hospital license as the result of the acquisition (including purchase, lease, donation, or other comparable arrangements) of a hospital with a valid license and which does not involve a change in bed capacity.

(b) "Alcohol and substance abuse hospital," for purposes of these standards, means a licensed hospital within a long-term (acute) care hospital that exclusively provides inpatient medical detoxification and medical stabilization and related outpatient services for persons who have a primary diagnosis of substance dependence covered by DRGs 433 - 437.

(c) "Base year" means the most recent year that final MIDB data is available to the Department unless a different year is determined to be more appropriate by the Commission.

(d) "Code" means Act No. 368 of the Public Acts of 1978, as amended, being Section 333.1101 et seq. of the Michigan Compiled Laws.

(E) "COVERED CLINICAL SERVICE" MEANS THOSE SERVICES AS DEFINED IN SECTION 22203(10) OF THE CODE BEING SECTION 333.22203(10) OF THE MICHIGAN COMPILED LAWS.

(F) "Department inventory of beds" means the current list maintained for each hospital subarea on a continuing basis by the Department of (i) licensed hospital beds and (ii) hospital beds approved by a valid certificate of need issued under either Part 221 or Part 222 of the Code that are not yet licensed. The term does not include hospital beds certified for long-term-care in hospital long-term care units.

(G) "Discharge relevance factor" (%R) means a mathematical computation where the numerator is the inpatient hospital discharges from a specific zip code for a specified hospital subarea and the

denominator is the inpatient hospital discharges for any hospital from that same specific zip code.

(H) "Existing hospital beds" means, for a specific hospital subarea, the total of all of the following: (i) hospital beds licensed by the Department of Consumer & Industry Services; (ii) hospital beds with valid certificate of need approval but not yet licensed; (iii) proposed hospital beds under appeal from a final decision of the Department; and (iv) proposed hospital beds that are part of a completed application under Part 222 (other than the application under review) for which a proposed decision has been issued and which is pending final Department decision.

(I) "FREESTANDING SURGICAL OUTPATIENT FACILITY" OR "FSOF" MEANS A FSOF AS DEFINED IN SECTION 20104(5) OF THE CODE BEING SECTION 333.20104(5) OF THE MICHIGAN COMPILED LAWS AND LICENSED UNDER PART 201 OF THE CODE.

(J) "Health service area" means the groups of counties listed in section 16.

(K) "Hospital bed" means a bed within the licensed bed complement at a licensed site of a hospital licensed under Part 215 of the Code, excluding (i) hospital beds certified for long-term care as defined in Section 20106(6) of the Code and (ii) unlicensed newborn bassinets.

(L) "Hospital" means a hospital as defined in Section 20106(5) of the Code being Section 333.20106(5) of the Michigan Compiled Laws and licensed under Part 215 of the Code. The term does not include a hospital or hospital unit licensed or operated by the Department of Mental Health.

(M) "Hospital long-term-care unit" or "HLTCU" means a nursing care unit, owned or operated by and as part of a hospital, licensed by the Department of Consumer & Industry Services, and providing organized nursing care and medical treatment to 7 or more unrelated individuals suffering or recovering from illness, injury, or infirmity.

(N) "Hospital subarea" or "subarea" means a cluster or grouping of hospitals and the relevant portion of the state's population served by that cluster or grouping of hospitals. For purposes of these standards, hospital subareas and the hospitals assigned to each subarea are set forth in Appendix A.

(O) "Host hospital," for purposes of these standards, means an existing licensed hospital, which delicenss hospital beds, and which leases patient care space and other space within the physical plant of the host hospital, to allow a long-term (acute) care hospital, or alcohol and substance abuse hospital, to begin operation.

(P) "Licensed site" means either (i) in the case of a single site hospital, the location of the facility authorized by license and listed on that licensee's certificate of licensure or (ii) in the case of a hospital with multiple sites, the location of each separate and distinct inpatient unit of the health facility as authorized by license and listed on that licensee's certificate of licensure.

(Q) "Long-term (acute) care hospital," for purposes of these standards, means a hospital has been approved to participate in the Title XVIII (Medicare) program as a prospective payment system (PPS) exempt hospital in accordance with 42 CFR Part 412.

(R) "Market forecast factors" (%N) means a mathematical computation where the numerator is the number of total inpatient discharges indicated by the market survey forecasts and the denominator is the base year MIDB discharges.

(S) "Michigan Inpatient Data Base" or "MIDB" means the data base compiled by the Michigan Health and Hospital Association or successor organization. The data base consists of inpatient discharge records from all Michigan hospitals and Michigan residents discharged from hospitals in border states for a specific calendar year.

(T) "New beds in a hospital" means hospital beds that meet at least one of the following: (i) are not currently licensed as hospital beds, (ii) are currently licensed hospital beds at a licensed site in one subarea which are proposed for relocation in a different subarea as determined by the Department pursuant to Section 3 of these standards, (iii) are currently licensed hospital beds at a licensed site in one subarea which are proposed for relocation to another geographic site which is in the same subarea as determined by the Department, but which are not in the replacement zone, or (iv) are currently licensed hospital beds that are proposed to be licensed as part of a new hospital in accordance with Section 6(2) of these standards.

(U) "New hospital" means one of the following: (i) the establishment of a new facility that shall be issued a new hospital license, (ii) for currently licensed beds, the establishment of a new licensed site that is not in the same hospital subarea as the currently licensed beds, (iii) currently licensed hospital beds at a licensed site in one subarea which are proposed for relocation to another geographic site which is in the same subarea as determined by the Department, but which are not in the replacement zone, ~~or~~

(iv) currently licensed hospital beds that are proposed to be licensed as part of a new hospital in accordance with section 6(2) of these standards, **OR (V) ARE CURRENTLY LICENSED HOSPITAL BEDS AT A LICENSED SITE WHICH ARE PROPOSED FOR RELOCATION TO A FSOF IN ACCORDANCE WITH SECTION 6(5) OF THESE STANDARDS.**

(V) "Overbedded subarea" means a hospital subarea in which the total number of existing hospital beds in that subarea exceeds the subarea needed hospital bed supply as set forth in Appendix C.

(W) "Planning year" means five years beyond the base year, established by the Certificate of Need Commission, for which hospital bed need is developed, unless a different year is determined to be more appropriate by the Commission.

(X) "Relevance index" or "market share factor" (%Z) means a mathematical computation where the numerator is the number of inpatient hospital patient days provided by a specified hospital subarea from a specific zip code and the denominator is the total number of inpatient hospital patient days provided by all hospitals to that specific zip code using MIDB data.

(Y) "Relocate licensed hospital beds" for purposes of Section 8 of these standards, means **EITHER OF THE FOLLOWING:** (I) a change in the location of existing hospital beds from the existing licensed hospital site to a different existing licensed hospital site within the same hospital subarea; **OR (II) A CHANGE IN THE LOCATION OF EXISTING HOSPITAL BEDS FROM THE EXISTING LICENSED HOSPITAL SITE TO AN EXISTING FSOF SITE OR A DIFFERENT EXISTING LICENSED HOSPITAL SITE WITHIN THE SAME HEALTH SERVICE AREA.** This definition does not apply to projects involving replacement beds in a hospital governed by Section 7 of these standards.

(Z) "Replacement beds in a hospital" means hospital beds that meet all of the following conditions; (i) an equal or greater number of hospital beds are currently licensed to the applicant at the licensed site at which the proposed replacement beds are currently licensed; (ii) the hospital beds are proposed for replacement in new physical plant space being developed in new construction or in newly acquired space (purchase, lease, donation, etc.); and (iii) the hospital beds to be replaced will be located in the replacement zone.

(AA) "Replacement zone" means a proposed licensed site that is (i) in the same subarea as the existing licensed site as determined by the Department in accord with Section 3 of these standards and (ii) on the same site, on a contiguous site, or on a site within 2 miles of the existing licensed site if the existing licensed site is located in a county with a population of 200,000 or more, on a site within 5 miles of the existing licensed site if the existing licensed site is located in a county with a population of less than 200,000, or on a site within 10 miles of the existing licensed site if the applicant meets the requirements of Section 7(4) of these standards.

(BB) "Rural county" means a county in Michigan that is not within a Consolidated Metropolitan Statistical Area (CMSA), Primary Metropolitan Statistical Area (PMSA), or Metropolitan Statistical Area (MSA) as defined by the U. S. Department of Commerce, Bureau of Census and as shown in Appendix B.

(CC) **"SYSTEM OF HOSPITALS," MEANS TWO OR MORE HOSPITALS WHOLLY OWNED BY A COMMON ENTITY PRIOR TO JANUARY 1, 2002. FOR PURPOSES OF SECTION 6(5) AND SECTION 8(3), A SYSTEM OF HOSPITALS SHALL INCLUDE AT LEAST ONE HOSPITAL WITH NO FEWER THAN 500 LICENSED BEDS LOCATED IN A CITY HAVING A POPULATION OF 750,000 OR MORE.**

~~(GGDD)~~ "Utilization rate" or "use rate" means the number of days of inpatient care per 1,000 population during a one-year period.

~~(DDEE)~~ "Zip code population" means the latest population estimates for the base year and projections for the planning year, by zip code.

(2) The definitions in Part 222 shall apply to these standards.

Section 3. Hospital subareas

Sec. 3. (1)(a) Each existing hospital is assigned to a hospital subarea as set forth in Appendix A which is incorporated as part of these standards, until Appendix A is revised pursuant to this subsection.

(i) These hospital subareas, and the assignments of hospitals to subareas, shall be updated, at the direction of the Commission, starting in may 2003, to be completed no later than November 2003.

Thereafter, at the direction of the Commission, the updates shall occur no later than two years after the official date of the federal decennial census, provided that:

(A) Population data at the federal zip code level, derived from the federal decennial census, are available; and final MIDB data are available to the Department for that same census year.

(b) For an application involving a proposed new licensed site for a hospital (whether new or replacement), the proposed new licensed site shall be assigned to an existing hospital subarea utilizing a market survey conducted by the applicant and submitted with the application. The market survey shall provide, at a minimum, forecasts of the number of inpatient discharges for each zip code that the proposed new licensed site shall provide service. The forecasted numbers must be for the same year as the base year MIDB data. The market survey shall be completed by the applicant using accepted standard statistical methods. The market survey, if determined by the Department to be reasonable pursuant to Section 14, shall be used by the Department to assign the proposed new site to an existing subarea as follows:

(i) For the proposed new site, a market forecast factor for each of the zip codes identified in the application will be computed. Zip codes with a market forecast factor of less than .05 will be deleted from consideration.

(ii) The base year MIDB data will be used to compute discharge relevance factors (%Rs) for each hospital subarea for each of the zip codes identified in step (i) above. Hospital subareas with a %R of less than .05 for all zip codes identified in step (i) will be deleted from the computation.

(iii) For each of the zip codes identified in step (i), compare %Rs among subareas identified in step (ii). The hospital subarea with the largest %R will have the entire zip code assigned to that subarea.

(iv) The base year total zip code population allocations corresponding to the assignments in step (iii) to a specific hospital subarea are multiplied by the %N calculated in step (i) for that zip code. The results of all multiplications within a hospital subarea are added together to obtain a subarea total.

(v) The hospital subarea with the largest total calculated in step (iv) shall have the proposed new licensed site assigned to that subarea.

(2) The Commission shall amend Appendix A to reflect: (a) approved new licensed site(s) assigned to a specific hospital subarea; (b) hospital closures; and (c) licensure action(s) as appropriate.

(3) As directed by the Commission, new sub-area assignments established according to subsection (1)(a)(i) shall supersede Appendix A and shall be included as an amended appendix to these standards effective on the date determined by the Commission.

Section 4. Determination of the needed hospital bed supply

Sec. 4. (1) The determination of the needed hospital bed supply for a hospital subarea for a planning year shall be made using the MIDB and population estimates and projections by zip code in the following methodology:

(a) All hospital discharges for normal newborns (DRG 391) and psychiatric patients (ICD-9-CM codes 290 through 319 as a principal diagnosis) will be excluded.

(b) The statewide patient day use rates for ages 0 (excluding normal newborns) through 14 (pediatric), ages 15 through 64, ages 65 through 74, and 75 and older are calculated using the base year MIDB data.

(c) For each hospital subarea, calculate the relevance index (%Z) for each zip code and each age group used by the subarea.

(d) For each hospital subarea, multiply each zip code %Z calculated in (c) by its respective base year zip code and age group specific year population. The result will be the zip code allocations by age group for each subarea.

(e) For each hospital subarea, calculate the subarea base year population by age group by adding together all zip code population allocations calculated in (d) for each specific age group in that subarea. The result will be four population age groups for each zip code in the subarea.

(f) For each hospital subarea, calculate the patient day use rates for ages 0 (excluding normal newborns) through 14 (pediatric), ages 15 through 64, ages 65 through 74, and ages 75 and older by

using results of the calculations in (e). Data from non-Michigan residents are to be included for each specific age group.

(g) For each hospital subarea, compare the use rates calculated in (c) with (b). For each age group, use the lesser of the statewide rate or the subarea specific rate.

(h) For each hospital subarea, multiply each zip code %Z calculated in (c) by its respective planning year zip code and age group specific year population. The results will be the projected zip code allocations by age group for each subarea.

(i) For each hospital subarea, calculate the subarea projected year population by age group by adding together all projected zip code population allocations calculated in (h) for each specific age group. The result will be four population age groups for each zip code in the subarea.

(j) For each hospital subarea, calculate the subarea projected patient days for each age group by multiplying the four projected populations by age group calculated in step (i) by the age specific use rates identified in step (g).

(k) For each hospital subarea, calculate the total subarea projected patient days by adding together each age group specific projected patient days calculated in (j).

(l) For each hospital subarea, calculate the subarea projected average daily census (ADC) by dividing the results calculated in (k) by 365 (or 366 if the planning year is a leap year).

(m) For each hospital subarea, select the appropriate subarea occupancy rate from the occupancy rate table in Appendix D.

(n) For each hospital subarea, calculate the subarea projected bed need number of hospital beds for the subarea by dividing the ADC calculated in (l) by the appropriate occupancy rate determined in (m). Round any part of a bed up to a whole bed.

Section 5. Bed Need

Sec. 5. (1) The bed-need numbers incorporated as part of these standards as Appendix C shall apply to projects subject to review under these standards, except where a specific certificate of need review standard states otherwise.

(2) The Commission shall direct the Department, effective November 2004 and every two years thereafter, to re-calculate the acute care bed need methodology in Section 4, within a specified time frame.

(3) The Commission shall designate the base year and the future planning year which shall be utilized in applying the methodology pursuant to subsection (2).

(4) When the Department is directed by the Commission to apply the methodology pursuant to subsection (2), the effective date of the bed-need numbers shall be established by the Commission.

(5) As directed by the Commission, new bed-need numbers established by subsections (2) and (3) shall supersede the bed-need numbers shown in Appendix C and shall be included as an amended appendix to these standards.

Section 6. Requirements for approval -- new beds in a hospital

Sec. 6. (1) An applicant proposing new beds in a hospital, except an applicant meeting the requirements of subsection 2, 3, or 4, shall demonstrate that it meets all of the following:

(a) The new beds in a hospital shall result in a hospital of at least 200 beds in a non-rural county or 50 beds in a rural county. This subsection may be waived by the Department if the Department determines, in its sole discretion, that a smaller hospital is necessary or appropriate to assure access to health-care services.

(b) The total number of existing hospital beds in the subarea to which the new beds will be assigned does not currently exceed the needed hospital bed supply as set forth in Appendix C. The Department shall determine the subarea to which the beds will be assigned in accord with Section 3 of these standards.

(c) Approval of the proposed new beds in a hospital shall not result in the total number of existing hospital beds, in the subarea to which the new beds will be assigned, exceeding the needed hospital bed supply as set forth in Appendix C. The Department shall determine the subarea to which the beds will be assigned in accord with Section 3 of these standards.

(2) An applicant proposing to begin operation as a new long-term (acute) care hospital or alcohol and substance abuse hospital within an existing licensed, host hospital shall demonstrate that it meets all of the requirements of this subsection:

(a) If the long-term (acute) care hospital applicant described in this subsection does not meet the Title XVIII requirements of the Social Security Act for exemption from PPS as a long-term (acute) care hospital within 12 months after beginning operation, then it may apply for a six-month extension in accordance with R325.9403 of the certificate of need rules. If the applicant fails to meet the Title XVIII requirements for PPS exemption as a long-term (acute) care hospital within the 12 or 18-month period, then the certificate of need granted pursuant to this section shall expire automatically.

(b) The patient care space and other space to establish the new hospital is being obtained through a lease arrangement between the applicant and the host hospital. The initial, renewed, or any subsequent lease shall specify at least all of the following:

(i) That the host hospital shall delicense the same number of hospital beds proposed by the applicant for licensure in the new hospital.

(ii) That the proposed new beds shall be for use in space currently licensed as part of the host hospital.

(iii) That upon non-renewal and/or termination of the lease, upon termination of the license issued under Part 215 of the act to the applicant for the new hospital, or upon noncompliance with the project delivery requirements or any other applicable requirements of these standards, the beds licensed as part of the new hospital must be disposed of by one of the following means:

(A) Relicensure of the beds to the host hospital. The host hospital must obtain a certificate of need to acquire the long-term (acute) care hospital. In the event that the host hospital applies for a certificate of need to acquire the long-term (acute) care hospital [including the beds leased by the host hospital to the long-term (acute) care hospital] within six months following the termination of the lease with the long-term (acute) care hospital, it shall not be required to be in compliance with the hospital bed supply set forth in Appendix C if the host hospital proposes to add the beds of the long-term (acute) care hospital to the host hospital's medical/surgical licensed capacity and the application meets all other applicable project delivery requirements. The beds must be used for general medical/surgical purposes. Such an application shall not be subject to comparative review and shall be processed under the procedures for non-substantive review (as this will not be considered an increase in the number of beds originally licensed to the applicant at the host hospital);

(B) Delicensure of the hospital beds; or

(C) Acquisition by another entity that obtains a certificate of need to acquire the new hospital in its entirety and that entity must meet and shall stipulate to the requirements specified in Section 6(2).

(c) The applicant or the current licensee of the new hospital shall not apply, initially or subsequently, for certificate of need approval to initiate any other certificate of need covered clinical services; provided, however, that this section is not intended, and shall not be construed in a manner which would prevent the licensee from contracting and/or billing for medically necessary covered clinical services required by its patients under arrangements with its host hospital or any other certificate of need approved provider of covered clinical services.

(d) The new licensed hospital shall remain within the host hospital.

(e) The new hospital shall be assigned to the same subarea as the host hospital.

(f) The proposed project to begin operation of a new hospital, under this subsection, shall constitute a change in bed capacity under Section 1(3) of these standards.

(g) The lease will not result in an increase in the number of licensed hospital beds in the subarea.

(h) Applications proposing a new hospital under this subsection shall not be subject to comparative review.

(3) An applicant proposing to add new hospital beds, as the receiving licensed hospital under Section 8(2), shall demonstrate that it meets all of the requirements of this subsection and shall not be

required to be in compliance with the needed hospital bed supply set forth in Appendix C if the application meets all other applicable certificate of need review standards and agrees and assures to comply with all applicable project delivery requirements.

(a) The approval of the proposed new hospital beds shall not result in an increase in the number of licensed hospital beds in the subarea.

(b) The proposed project to add new hospital beds, under this subsection, shall constitute a change in bed capacity under Section 1(3) of these standards.

(c) Applicants proposing to add new hospital beds under this subsection shall not be subject to comparative review.

(4) As a pilot program, an applicant may apply for the addition of new beds if all of the following subsections are met. Further, an applicant proposing new beds at an existing licensed hospital site shall not be required to be in compliance with the needed hospital bed supply set forth in Appendix C if the application meets all other applicable certificate of need review standards and agrees and assures to comply with all applicable project delivery requirements.

(a) The beds are being added at the existing licensed hospital site.

(b) The hospital at the existing licensed hospital site has operated as follows for the previous, consecutive 12 months based on its existing licensed hospital bed capacity as documented on the most recent reports of the "Annual Hospital Statistical Questionnaire" or more current verifiable data:

Number of Licensed Hospital Beds	Average Occupancy
fewer than 300	80% and above
300 or more	85% and above

(c) The number of beds that may be approved pursuant to this subsection shall be the number of beds necessary to reduce the occupancy rate for the hospital to 80 percent for hospitals with licensed beds of 300 or more and to 75 percent for hospitals with licensed beds of fewer than 300. The number of beds shall be calculated as follows:

(i) Divide the actual number of patient days of care provided during the most recent, consecutive 12-month period for which verifiable data are available to the department by .80 for hospitals with licensed beds of 300 or more and by .75 for hospitals with licensed beds of fewer than 300 to determine licensed bed days at 80 percent occupancy or 75 percent occupancy as applicable;

(ii) Divide the result of step (i) by 365 (or 366 for leap years) and round the result up to the next whole number;

(iii) Subtract the number of licensed beds as documented on the "Department Inventory of Beds" from the result of step (ii) and round the result up to the next whole number to determine the maximum number of beds that may be approved pursuant to this subsection.

(d) The provisions of Section 6(4) are part of a pilot program approved by the Certificate Of Need Commission and shall expire and be of no further force and effect, and shall not be applicable to any application which has not been deemed complete in accordance with Rule 325.9201 prior to November 30, 2003. The Department shall report to the Certificate Of Need Commission within 180 days following the expiration of Section 6(4) on the number of applications received and approved, the total capital expenditures approved, and the projected cost savings to be realized, if any.

(e) Applicants proposing to add new hospital beds under this subsection shall not be subject to comparative review.

(5) AN APPLICANT PROPOSING TO ADD NEW HOSPITAL BEDS AT EITHER THE RECEIVING LICENSED FSOE SITE OR AT THE RECEIVING EXISTING LICENSED HOSPITAL SITE UNDER SECTION 8(3) SHALL DEMONSTRATE THAT IT MEETS ALL OF THE APPLICABLE REQUIREMENTS OF THIS SUBSECTION AND SHALL NOT BE REQUIRED TO BE IN COMPLIANCE WITH THE NEEDED HOSPITAL BED SUPPLY SET FORTH IN APPENDIX C IF THE APPLICATION MEETS ALL OTHER APPLICABLE CERTIFICATE OF NEED REVIEW STANDARDS AND AGREES AND ASSURES TO COMPLY WITH ALL APPLICABLE PROJECT DELIVERY REQUIREMENTS.

(A) THE NEW BEDS AT THE FSOF SITE SHALL RESULT IN A HOSPITAL OF AT LEAST 200 BEDS IN A NON-RURAL COUNTY OR 50 BEDS IN A RURAL COUNTY. THIS SUBSECTION MAY BE WAIVED BY THE DEPARTMENT IF THE DEPARTMENT DETERMINES, IN ITS SOLE DISCRETION, THAT A SMALLER HOSPITAL IS NECESSARY OR APPROPRIATE TO ASSURE ACCESS TO HEALTH-CARE SERVICES.

(B) THE DEPARTMENT SHALL DETERMINE THE SUBAREA TO WHICH THE BEDS WILL BE ASSIGNED IN ACCORD WITH SECTION 3 OF THESE STANDARDS.

(C) THE PROPOSED PROJECT TO ADD NEW HOSPITAL BEDS, UNDER THIS SUBSECTION, SHALL CONSTITUTE A CHANGE IN BED CAPACITY UNDER SECTION 1(3) OF THESE STANDARDS.

(D) APPLICANTS PROPOSING TO ADD NEW HOSPITAL BEDS UNDER THIS SUBSECTION SHALL NOT BE SUBJECT TO COMPARATIVE REVIEW.

~~(E) THE PROVISIONS OF SECTION 6(5) SHALL EXPIRE AND BE OF NO FURTHER FORCE AND EFFECT, AND SHALL NOT BE APPLICABLE TO ANY APPLICATION WHICH HAS NOT BEEN DEEMED COMPLETE IN ACCORDANCE WITH RULE 325.9201 PRIOR TO DECEMBER 31, 20087 UNLESS EVALUATED AND AFFIRMATIVELY RENEWED BY THE CON COMMISSION.~~

Dept. Comment: The above language was added to limit the initial timeframe within which a transfer could be made to four years so that the CON Commission would have an opportunity to evaluate and consider the possible renewal of these standards.

Section 7. Requirements for approval -- replacement beds in a hospital in a replacement zone

Sec. 7. (1) If the application involves the development of a new licensed site, an applicant proposing replacement beds in a hospital in the replacement zone shall demonstrate that the new beds in a hospital shall result in a hospital of at least 200 beds in a non-rural county or 50 beds in a rural county. This subsection may be waived by the Department if the Department determines, in its sole discretion, that a smaller hospital is necessary or appropriate to assure access to health-care services.

(2) In order to be approved, the applicant shall propose to (i) replace an equal or lesser number of beds currently licensed to the applicant at the licensed site at which the proposed replacement beds are located, and (ii) that the proposed new licensed site is in the replacement zone.

(3) An applicant proposing replacement beds in the replacement zone shall not be required to be in compliance with the needed hospital bed supply set forth in Appendix C if the application meets all other applicable certificate of need review standards and agrees and assures to comply with all applicable project delivery requirements.

(4) As a pilot program, in counties having a population of not less than 500,000 nor more than 750,000 persons, an applicant proposing to replace an existing licensed non-rural hospital beyond 2 miles but within: (a) the applicable replacement zone, (b) ten miles from the existing licensed hospital site, and (c) the same hospital subarea, shall demonstrate satisfactorily to the Department the following:

(a) At least 45 percent of the land owned by the applicant on the perimeter of the existing licensed hospital site, or land adjacent to the existing licensed hospital site that may or may not be owned by the hospital, including land directly across a public street adjacent to the existing licensed hospital site if the perimeter of the hospital site is bound in part by the public street, cannot be used for general hospital purposes due to recorded restrictions on the hospital's use of that land. Such recorded restrictions shall have been in effect prior to January 1, 2000.

(b) That it is unable to acquire land sufficient to replace the licensed hospital facility for any of the following reasons:

(i) There is insufficient land available to purchase, for a replacement hospital, within a 2-mile radius of the existing licensed hospital site,

(ii) Land within a 2-mile radius is inappropriate to build a licensed hospital upon, or
(iii) It is prohibitively expensive (i.e., priced above fair market value) to purchase land within a 2-mile radius.

(c) That access to health care for the indigent, lower income, and disadvantaged is assured through a combination of retained clinic services at or within two miles of the original site, with available public or facility provided transportation to the relocation site, or by other appropriate means.

(d) Formal support for the replacement of the hospital is demonstrated by a resolution or letter of support of the elected governing body of the minor civil division (i.e., city, township, or incorporated village) in which the major portion of the current licensed hospital site is located.

(e) A clear and convincing showing of the need for replacement of the hospital must be demonstrated by the applicant and approved by the Department. For example:

(i) significant improvements in the efficiency, safety, and/or quality of health care delivery;

(ii) hospital is obsolete;

(iii) building code violations cannot be remedied without new construction;

(iv) inability to accommodate new equipment;

(v) deficiencies cannot be remedied by repairs or replacement on the existing site.

(f) Quality of care will be maintained, if not enhanced, as a result of the relocation, through a resolution by the governing board of the applicant.

(g) Commitment to continuing compliance with applicable licensing and certification requirements.

(h) The hospital has an annual licensed hospital bed occupancy rate of at least 45% according to the Department's most recently completed report(s) of the "Annual Hospital Statistical Questionnaire" or more recent data supplied by the applicant and acceptable to the Department.

(5) The replacement zone as defined in Section 2(1)(x) and as applied to Section 7(4) shall supercede the relocation zone or replacement zone, as applicable, as identified in the certificate of need standards for covered clinical services when applied in conjunction with Section 7(4) of these standards.

(6) The provisions of Section 7(4) are part of a pilot program approved by the Certificate of Need Commission and shall expire and be of no further force and effect, and shall not be applicable to any application which has not been deemed complete in accordance with Rule 325.9201 prior to December 31, 2002. The Department shall report to the Certificate of Need Commission within 180 days following the expiration of Section 7(4) on the number of applications received and approved, the total capital expenditures approved, and the projected cost savings to be realized, if any.

Section 8. Requirements for approval of an applicant proposing to relocate existing licensed hospital beds

Sec 8. (1) The proposed project to relocate beds, under this section, shall constitute a change in bed capacity under Section 1(4) of these standards.

(2) Any existing licensed acute care hospital may relocate all or a portion of its beds to another existing licensed acute care hospital located within the same subarea according to the provisions in this section.

(A) The hospital from which the beds are being relocated, and the hospital receiving the beds, shall not require any ownership relationship.

(B) The relocated beds shall continue to be counted in the inventory for the subarea but licensed to the recipient hospital.

(C) The relocation of beds from any other licensed acute care hospital within the subarea to any licensed acute care hospital within the subarea, shall not be subject to a mileage limitation.

(3) AN APPLICANT(S) [I.E., TRANSFERRING HOSPITAL(S)] PROPOSING A ONE-TIME TRANSFER TO RELOCATE EXISTING LICENSED HOSPITAL BEDS TO EITHER A FSOE SITE OR A DIFFERENT EXISTING LICENSED HOSPITAL SITE(S), WITHIN THE SAME HEALTH SERVICE AREA, SHALL DEMONSTRATE SATISFACTORILY TO THE DEPARTMENT, AT THE TIME COMPANION APPLICATION(S) ARE IS-SUBMITTED JOINTLY TO THE DEPARTMENT, ALL OF THE FOLLOWING:

(A) THE TRANSFERRING HOSPITAL(S) SHALL OWN, BE OWNED BY OR SHALL BE UNDER THE COMMON CONTROL OR HAVE A COMMON PARENT WITH A HOSPITAL LOCATED IN A CITY HAVING A POPULATION OF 750,000 OR MORE IS A HOSPITAL THAT IS WHOLLY OWNED BY A SYSTEM OF HOSPITALS AS DEFINED IN THESE STANDARDS.

(B) AS EVIDENCED IN A SIGNED GOVERNING BODY RESOLUTION, THE FSOFF OR EXISTING LICENSED HOSPITAL(S) SITE [I.E., RECEIVING LICENSED FACILITY SITE(S)] SHALL SATISFY THE FOLLOWING CRITERIA THAT IT MET THE FOLLOWING CRITERIA ON DECEMBER 2, 2002, AS APPLICABLE:

(I) ~~IS OWNED BY OR IS UNDER THE COMMON CONTROL OF OR HAS A COMMON PARENT AS THE TRANSFERRING HOSPITAL SEEKING TO RELOCATE ITS LICENSED BEDS~~ IS A HOSPITAL OR FSOFF THAT IS WHOLLY OWNED BY A SYSTEM OF HOSPITALS AS DEFINED IN THESE STANDARDS;

(II) PROVIDES 24-HOUR EMERGENCY CARE SERVICES AT THAT FSOFF SITE AS AUTHORIZED BY THE LOCAL ~~CONTROL~~ MEDICAL CONTROL AUTHORITY TO RECEIVE AMBULATORY AMBULANCE RUNS;

(III) PROVIDES AT LEAST FOUR DIFFERENT CON APPROVED COVERED CLINICAL SERVICES AT THAT FSOFF SITE; AND

(IV) WAS A LICENSED FSOFF OR HOSPITAL(S) PRIOR TO JANUARY 1, 2002.

(C) THE TRANSFERRING HOSPITAL(S), IF LOCATED IN A CITY HAVING A POPULATION OF 750,000 OR MORE, SEEKING TO RELOCATE ITS BEDS SHALL TRANSFER NO MORE THAN 35% OF ITS ELIGIBLE LICENSED BEDS TO EITHER A FSOFF OR EXISTING LICENSED HOSPITAL(S) SITE. IN AGGREGATE, THERE SHALL NOT BE MORE THAN ONE TRANSFER TO EITHER A FSOFF OR EXISTING LICENSED HOSPITAL(S) SITE ON OR AFTER THE EFFECTIVE DATE OF THESE STANDARDS THAT ADDED SECTION 8(3) ON BEHALF OF ANY HOSPITAL OWNED OR CONTROLLED BY THE COMMON PARENT OF THE TRANSFERRING HOSPITAL OWNED BY, OR IS UNDER THE CONTROL OF, OR WHO HAS A COMMON PARENT WITH THE TRANSFERRING HOSPITAL(S) THAT IS PART OF A SYSTEM OF HOSPITALS AS DEFINED IN THESE STANDARDS. THE DETERMINATION OF ELIGIBLE BEDS IS AS FOLLOWS:

(I) THE TRANSFERRING HOSPITAL(S) SEEKING TO RELOCATE ITS BEDS TO AN FSOFF SHALL PROVIDE TO THE DEPARTMENT A LETTER FROM THE DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES (DCIS) THAT VERIFIES THE NUMBER OF LICENSED BEDS THAT WERE STAFFED AND AVAILABLE FOR PATIENT CARE AT THE TRANSFERRING HOSPITAL(S). THE VERIFICATION LETTER MUST BE DATED WITHIN 12 MONTHS OF THE SUBMISSION OF THE APPLICATION TO THE DEPARTMENT.

(II) ONE OF EVERY TWO BEDS TO BE RELOCATED TO AN FSOFF OR EXISTING LICENSED HOSPITAL(S) FROM A CITY HAVING A POPULATION OF 750,000 OR MORE, ~~UP TO A MAXIMUM OF 400;~~ SHALL BE BEDS THAT WERE STAFFED AND AVAILABLE FOR PATIENT CARE AS OF DECEMBER 2, 2002.

(III) AN FSOFF OR HOSPITAL RECEIVING LICENSED BEDS TRANSFERRED UNDER THIS SECTION SHALL NOT BE ELIGIBLE TO RECEIVE ADDITIONAL LICENSED BEDS UNDER SECTION (8)(2) FOR A PERIOD OF FIVE YEARS FROM THE DATE OF ANY TRANSFER ALLOWED UNDER SECTION (8)(3).

Dept. Comment: The added underlined language above makes the proposed standard consistent with the intent of P.A. 619 of 2002, and prohibits additional transfers under the subarea transfer provisions for a period of five years.

(D) THE TRANSFERRING HOSPITAL(S) APPROVED TO RELOCATE BEDS PURSUANT TO

SECTION 8(3) SHALL NOT REACTIVATE LICENSED BEDS WITHIN THE TRANSFERRING HOSPITAL(S) THAT WERE UNSTAFFED OR UNAVAILABLE FOR PATIENT CARE FOR A PERIOD OF FIVE YEARS AFTER THE DATE OF THE RELOCATION OF THE LICENSED BEDS UNDER SECTION 8(3).

~~(E) THE MAXIMUM NUMBER OF BEDS TO BE RELOCATED CANNOT EXCEED 300 BEDS FOR ANY COMBINATION OF BEDS TRANSFERRED TO AN FSOF AND/OR HOSPITAL FOR EACH SYSTEM OF HOSPITALS, AS DEFINED IN THESE STANDARDS, THAT OWNS, OR HAS CONTROL OF, OR IS A PARENT OF THE RECEIVING AND TRANSFERRING SITES.~~

Dept. Comment: The language above limits the total number of beds to 300 per system of hospitals. No limit was directly stated in P.A. 619 of 2002. The intent is to allow a limited number of transfers of hospital beds from urban systems of hospitals to recognize the importance of payor mix – uninsured, underinsured, and insured – to the survivability of urban hospitals.

~~—(F) A SYSTEM OF HOSPITALS THAT OWNS, OR HAS CONTROL OF, OR IS A PARENT OF THE RECEIVING AND TRANSFERRING SITES THAT TRANSFERS ONLY A PORTION OF ITS 300-BED MAXIMUM TO AN FSOF UNDER SECTIONS 6(5) AND 8(3) FROM WITHIN THE SAME COUNTY MAY TRANSFER UP TO AN EQUAL NUMBER OF BEDS, NOT TO EXCEED 100 BEDS, TO ANOTHER LICENSED HOSPITAL THAT IS OWNED BY, OR IS UNDER THE COMMON CONTROL OF, OR HAS A COMMON PARENT AS THE TRANSFERRING HOSPITAL. THE SYSTEM OF HOSPITALS THAT OWNS, OR HAS CONTROL OF, OR IS A PARENT OF THE RECEIVING AND TRANSFERRING SITES MAKING A TRANSFER UNDER THIS PROVISION SHALL DELICENSE ONE FOR EVERY TWO BEDS TRANSFERRED UNDER THIS PROVISION.~~

Dept. Comment: P.A. 619 2003 allowed transfers by health systems under both 222209-3(b) and 222209-3(c). The proposed standard language allows only limited capped transfers, but in light of the Commission's recent standard to allow all hospital subarea transfers, the above language would allow a health system that did a transfer to an FSOF from within the same subarea, a limited (up to 100 beds) transfer to another licensed facility if they delicensed 1 for every two beds transferred.

(G) IF THE REQUIRED DOCUMENTATION FOR THIS SUBSECTION IS NOT SUBMITTED WITH THE APPLICATIONS ON THE DESIGNATED APPLICATION DATE, THE APPLICATIONS WILL BE DEEMED FILED ON THE FIRST APPLICABLE DESIGNATED APPLICATION DATE AFTER ALL REQUIRED DOCUMENTATION IS RECEIVED BY THE DEPARTMENT.

~~(H) THE PROVISIONS OF SECTION 8(3) SHALL EXPIRE AND BE OF NO FURTHER FORCE AND EFFECT, AND SHALL NOT BE APPLICABLE TO ANY APPLICATION WHICH HAS NOT BEEN DEEMED COMPLETE IN ACCORDANCE WITH RULE 325.9201 PRIOR TO DECEMBER 31, 20087 UNLESS EVALUATED AND AFFIRMATIVELY RENEWED BY THE CON COMMISSION.~~

Dept. Comment: The above language was added to limit the initial timeframe within which a transfer could be made to four years so that the CON Commission would have an opportunity to evaluate and consider the possible renewal of these standards.

Section 9. Project delivery requirements -- terms of approval for all applicants

FOR COMMISSION ACTION ON 10/7/03

617
618 Sec. 9. (1) An applicant shall agree that, if approved, the project shall be delivered in compliance with
619 the following terms of certificate of need approval:

- 620 (a) Compliance with these standards
621 (b) Compliance with applicable operating standards

622 ~~(f) HOSPITAL(S) APPROVED TO RELOCATE BEDS PURSUANT TO SECTION 8(3) SHALL NOT~~
623 ~~REACTIVATE LICENSED BEDS WITHIN THE TRANSFERRING HOSPITAL(S) THAT WERE~~
624 ~~UNSTAFFED OR UNAVAILABLE FOR PATIENT CARE FOR A PERIOD OF FIVE YEARS AFTER THE~~
625 ~~DATE OF THE RELOCATION OF THE LICENSED BEDS UNDER SECTION 8(3).~~

- 626 (c) Compliance with the following quality assurance standards:

627 (i) The applicant shall provide the Department with a notice stating the date the hospital beds are
628 placed in operation and such notice shall be submitted to the Department consistent with applicable
629 statute and promulgated rules.

630 (ii) The applicant shall assure compliance with Section 20201 of the Code, being Section 333.20201
631 of the Michigan Compiled Laws.

632 (iii) The applicant shall participate in a data collection network established and administered by the
633 Department or its designee. The data may include, but is not limited to, annual budget and cost
634 information and demographic, diagnostic, morbidity, and mortality information, as well as the volume of
635 care provided to patients from all payor sources. The applicant shall provide the required data on a
636 separate basis for each licensed site; in a format established by the Department, and in a mutually
637 agreed upon media. The Department may elect to verify the data through on-site review of appropriate
638 records.

639 (iv) The applicant shall participate and submit data to the Michigan Inpatient Data Base (MIDB). The
640 data shall be submitted to the Department or its designee.

- 641 (d) The applicant, to assure appropriate utilization by all segments of the Michigan population, shall:

- 642 (i) Not deny services to any individual based on ability to pay or source of payment.
643 (ii) Maintain information by source of payment to indicate the volume of care from each payor and
644 non-payor source provided annually.
645 (iii) Provide services to any individual based on clinical indications of need for the services.

646
647 (2) The agreements and assurances required by this section shall be in the form of a certification
648 authorized by the governing body of the applicant or its authorized agent.

649 650 **Section 10. Rural Michigan counties**

651
652 Sec. 10. Rural Michigan counties, for purposes of these standards, are incorporated as part of these
653 standards as Appendix B. The Department may amend Appendix B as appropriate to reflect changes by
654 the U.S. Department of Commerce, Bureau of Census.

655 656 **Section 11. Department inventory of beds**

657
658 Sec. 11. The Department shall maintain and provide on request a listing of the Department inventory
659 of beds for each subarea.

660 661 **Section 12. Effect on prior planning policies; comparative reviews**

662
663 Sec. 12. (1) These certificate of need review standards supersede and replace the certificate of need
664 standards for hospital beds approved by the Certificate of Need Commission on ~~March 11~~JUNE 10, 2003
665 and effective ~~May 12~~AUGUST 4, 2003.

666
667 (2) Projects reviewed under these standards shall be subject to comparative review except those
668 projects meeting the requirements of Section 7 involving the replacement of beds in a hospital within the
669 replacement zone and projects involving acquisition (including purchase, lease, donation or comparable
670 arrangements) of a hospital.

Section 13. Additional requirements for applications included in comparative reviews

Sec. 13. (1) Any application subject to comparative review under Section 22229 of the Code being Section 333.22229 of the Michigan Compiled Laws or these standards shall be grouped and reviewed with other applications in accordance with the certificate of need rules applicable to comparative reviews.

(2) Each application in a comparative review group shall be individually reviewed to determine whether the application has satisfied all the requirements of Section 22225 of the Code being Section 333.22225 of the Michigan Compiled Laws and all other applicable requirements for approval in the Code and these standards. If the Department determines that one or more of the competing applications satisfies all of the requirements for approval, these projects shall be considered qualifying projects. The Department shall approve those qualifying projects which, taken together, do not exceed the need, as defined in Section 22225(1), in the order the Department determines the projects most fully promote the availability of quality health services at reasonable cost.

Section 14. Documentation of market survey

Sec. 14. An applicant required to conduct a market survey under Section 3 shall specify how the market survey was developed. This specification shall include a description of the data source(s) used, assessments of the accuracy of these data, and the statistical method(s) used. Based on this documentation, the Department shall determine if the market survey is reasonable.

Section 15. Requirements for approval -- acquisition of a hospital

Sec. 15. (1) An applicant proposing to acquire a hospital shall not be required to be in compliance with the needed hospital bed supply set forth in Appendix C for the subarea in which the hospital subject to the proposed acquisition is assigned if the applicant demonstrates that all of the following are met:

- (a) the acquisition will not result in a change in bed capacity,
- (b) the licensed site does not change as a result of the acquisition,
- (c) the project is limited solely to the acquisition of a hospital with a valid license, AND
- (d) if the application is to acquire a hospital, which was proposed in a prior application to be established as a long-term (acute) care hospital (LTAC) and which received certificate of need approval, the applicant also must meet the requirements of Section 6(2). Those hospitals that received such prior approval are so identified in Appendix A.

Section 16. Health service areas

Sec. 16. Counties assigned to each of the health service areas are as follows:

HSA	COUNTIES		
1 - Southeast	Livingston Macomb Wayne	Monroe Oakland	St. Clair Washtenaw
2 - Mid-Southern	Clinton Eaton	Hillsdale Ingham	Jackson Lenawee
3 - Southwest	Barry Berrien Branch	Calhoun Cass Kalamazoo	St. Joseph Van Buren
4 - West	Allegan Ionia	Mason Mecosta	Newaygo Oceana

727		Kent	Montcalm	Osceola
728		Lake	Muskegon	Ottawa
729				
730	5 - GLS	Genesee	Lapeer	Shiawassee
731				
732				
733	6 - East	Arenac	Huron	Roscommon
734		Bay	Iosco	Saginaw
735		Clare	Isabella	Sanilac
736		Gladwin	Midland	Tuscola
737		Gratiot	Ogemaw	
738				
739	7 - Northern Lower	Alcona	Crawford	Missaukee
740		Alpena	Emmet	Montmorency
741		Antrim	Gd Traverse	Oscoda
742		Benzie	Kalkaska	Otsego
743		Charlevoix	Leelanau	Presque Isle
744		Cheboygan	Manistee	Wexford
745				
746				
747				
748	8 - Upper Peninsula	Alger	Gogebic	Mackinac
749		Baraga	Houghton	Marquette
750		Chippewa	Iron	Menominee
751		Delta	Keweenaw	Ontonagon
752		Dickinson	Luce	Schoolcraft
753				

CERTIFICATE OF NEED REVIEW STANDARDS
FOR HOSPITAL BEDS

Hospital subarea assignments

Health Service Area	Sub Area	Hospital Name	City
=====			
=			
1 - Southeast			
	47	Brighton	Brighton
	47	McPherson Community Hlth Ctr	Howell
	48	Crittenton	Rochester
	48	Huron Valley-Sinai	Milford
	48	Select Specialty (LTAC - Fac #63-0172)*	Pontiac
	48	No. Oakland Medical Ctr	Pontiac
	48	Pontiac Osteopathic	Pontiac
	48	St. Joseph Mercy - Oakland	Pontiac
	49	Mount Clemens General	Mt Clemens
	49	St. John North Shores Hospital	Mt Clemens
	49	St Joseph Mercy - Almont (a)	Romeo
	49	St Joseph Mercy - East (a)	Mt Clemens
	49	St Joseph Mercy - West (a)	Mt Clemens
	49	Select Specialty (LTAC - Fac #50-0111)*	Mt. Clemens
	50	Mercy Hospital	Port Huron
	50	Port Huron	Port Huron
	50	St. John River District	St Clair
	57	Forest Health Medical Center	Ypsilanti
	57	Chelsea Community	Chelsea
	57	Saline Community	Saline
	57	St. Joseph Mercy	Ann Arbor
	57	University of Michigan	Ann Arbor
	57	Select Specialty (LTAC - Fac #81-0081)*	Ann Arbor
	66	Mercy Memorial	Monroe
	67	Oakwood - Annapolis	Wayne
	67	Garden City Osteopathic	Garden City
	67	St. Mary's Mercy Hospital	Livonia
	68	Oakwood - Heritage	Taylor
	68	Oakwood Hosp & Med Ctr	Dearborn
	68	Riverside Osteopathic	Trenton
	68	Oakwood - Seaway	Trenton
	68	Henry Ford - Wyandotte	Wyandotte
	68	Vencor Hosp - Detroit	Lincoln Park

*This is a hospital that must meet the requirement(s) of Section 14(1)(d).

APPENDIX A (Continued)

Health Service Area	Sub Area	Hospital Name	City
=====			
=			
	68	Select Specialty Hospital - Wyandotte (LTAC - #82-0272)*	Wyandotte
	69	William Beaumont	Troy
	69	William Beaumont	Royal Oak
	69	Botsford General	Farmington Hills
	69	Madison Community	Madison Hgts
	69	SJHS - Oakland General	Madison Hgts
	69	Providence	Southfield
	69	Great Lakes Rehab	Southfield
	69	Sinai - Grace	Detroit
	69	Straith	Southfield
	69	Select Specialty Hospital NW Detroit (LTAC - #83-0523)*	Detroit
	70	Bi-County Community	Warren
	70	Bon Secours	Grosse Pointe
	70	Henry Ford Cottage Hospital	Grosse Pointe Farms
	70	Kern Hospital	Warren
	70	St. John Hospital and Medical Center	Detroit
	70	St. John Northeast Community Hospital	Detroit
	70	St. John Gratiot Center	Detroit
	70	St. John Macomb Hospital	Warren
	70	SCCI of America (LTAC - #83-0521)*	Detroit
	70	Select Specialty Hospital - Macomb (LTAC - #50-0112)*	Warren
	71	Children's	Detroit
	71	Detroit Receiving	Detroit
	71	Greater Detroit Hospital	Detroit
	71	Harper	Detroit
	71	Henry Ford	Detroit
	71	Hutzel	Detroit
	71	Rehabilitation Inst	Detroit
	71	Renaissance Hospital & Med Ctr	Detroit
	71	St. John Detroit Riverview	Detroit
	71	United Community	Detroit
	71	Kindred Hospital - Metro Detroit	Detroit
	71	Select Specialty Hospital - Central Detroit (LTAC - #83-0524)*	Detroit
2 - Mid-Southern			
	46	Clinton Memorial	St Johns
	46	Eaton Rapids Community	Eaton Rapids
	46	Hayes Green Beach	Charlotte
	46	Ingham Reg'l Med Ctr - Greenlawn	Lansing
	46	Ingham Reg'l Med Ctr - Pennsylvania	Lansing
	46	Sparrow - Michigan	Lansing
	46	Sparrow - St. Lawrence	Lansing

*This is a hospital that must meet the requirement(s) of Section 14(1)(d).

863
864

APPENDIX A (Continued)

Health Service Area	Sub Area	Hospital Name	City
=====			
=			
	56	Doctors	Jackson
	56	Foote Memorial	Jackson
	64	Hillsdale Community	Hillsdale
	65	Addison	Addison
	65	Emma L. Bixby	Adrian
	65	Herrick Memorial	Tecumseh
3 - Southwest			
	45	Pennock	Hastings
	51	South Haven Community	South Haven
	53	Borgess Medical Ctr	Kalamazoo
	53	Borgess-Pipp	Plainwell
	53	Bronson Methodist	Kalamazoo
	53	Bronson - Lakeview	Paw Paw
	53	Bronson - Vicksburg	Vicksburg
	53	Lakeview Community	Paw Paw
	54	BCHS - Fieldstone Ctr (b)	Battle Creek
	54	BCHS - Leila (b)	Battle Creek
	54	Select Specialty (LTAC - Fac #13-0111)*	Battle Creek
	54	Oaklawn	Marshall
	54	Southwestern MI Rehab	Battle Creek
	58	Community	Watervliet
	58	Lakeland Med Ctr	St. Joseph
	58	Lakeland Speciality (LTAC - Fac #11-0080)*	Berrien Center
	59	Lee Memorial	Dowagiac
	60	Lakeland Medical Ctr	Niles
	61	Three Rivers Area	Three Rivers
	62	Sturgis	Sturgis
	63	Community Health Ctr	Coldwater
4 - West			
	25	Memorial Medical Ctr of West MI	Ludington
	26	Kelsey Memorial	Lakeview
	26	Mecosta County General	Big Rapids

*This is a hospital that must meet the requirement(s) of Section 14(1)(d).

919
920

APPENDIX A (Continued)

Health Service Area	Sub Area	Hospital Name	City
=====			
=			
	26	Spectrum Health - Reed City	Reed City
	30	Lakeshore Community	Shelby
	31	Gerber Memorial	Fremont
	32	Carson City Osteopathic	Carson City
	32	Gratiot Community	Alma
	37	Hackley Medical Center	Muskegon
	37	Mercy Gen'l Hlth Prtnrs - Sherman	Muskegon
	37	Mercy Gen'l Hlth Prtnrs - Oak	Muskegon
	37	Nextcare (LTAC - Fac #61-0052)*	Muskegon
	37	North Ottawa Community	Grand Haven
	37	Select Speciality (LTAC - Fac #61-0051)*	Muskegon
	38	Blodgett Memorial dba Spectrum Hlth	E. Grand Rapids
	38	Butterworth dba Spectrum Hlth	Grand Rapids
	38	Ferguson dba Spectrum Hlth	Grand Rapids
	38	Kent Community dba Spectrum Hlth	Grand Rapids
	38	Mary Free Bed	Grand Rapids
	38	Metropolitan	Grand Rapids
	38	St. Mary's Mercy	Grand Rapids
	39	Sheridan Community	Sheridan
	39	United Memorial	Greenville
	43	Holland Community	Holland
	43	Zeeland Community	Zeeland
	44	Ionia County Memorial	Ionia
	52	Allegan General	Allegan
5 - GLS	40	Memorial Healthcare Ctr	Owosso
	41	Genesys Regional Med Ctr	Grand Blanc
	41	Hurley Medical Ctr	Flint
	41	McLaren General	Flint
	41	Select Specialty (LTAC - Fac #25-0071)*	Flint
	42	Lapeer Regional	Lapeer
6 - East	22	West Branch Reg'l Med Ctr	West Branch

*This is a hospital that must meet the requirement(s) of Section 14(1)(d).

975
976

APPENDIX A (Continued)

976				
977				
978	Health			
979	Service	Sub		
980	Area	Area	Hospital Name	City
981	=====			
982	=			
983		23	Tawas - St. Joseph	Tawas City
984				
985		27	Central Michigan Community	Mt Pleasant
986		27	MidMichigan Reg'l Med Ctr	Clare
987				
988		28	MidMichigan Reg'l Med Ctr	Gladwin
989		28	MidMichigan Reg'l Med Ctr	Midland
990				
991		29	Bay Regional Med Ctr (c)	Bay City
992		29	Bay Regional Med Ctr-West (c)	Bay City
993		29	Samaritan (c)	Bay City
994		29	Standish Community	Standish
995		29	Bay Special Care Ctr (LTAC - Fac #09-0010)*	Bay City
996				
997		33	Covenant Med Ctrs - 700 Cooper(d)	Saginaw
998		33	Covenant Med Ctrs - Michigan (d)	Saginaw
999		33	Covenant Med Ctrs - Harrison(d)	Saginaw
1000		33	Healthsource - Saginaw	Saginaw
1001		33	St. Mary's Medical Ctr	Saginaw
1002				
1003		34	Caro Community	Caro
1004		34	Hills and Dales General	Cass City
1005				
1006		35	Harbor Beach Community	Harbor Beach
1007		35	Huron Memorial	Bad Axe
1008		35	Scheurer	Pigeon
1009				
1010		36	Deckerville Community	Deckerville
1011		36	Marlette Community	Marlette
1012		36	McKenzie Memorial	Sandusky
1013				
1014	7 - Northern Lower			
1015		14	Community Memorial	Cheboygan
1016				
1017		15	Charlevoix	Charlevoix
1018		15	Mackinac Straits Hlth Ctr	St. Ignace
1019		15	Northern Michigan	Petoskey
1020				
1021		16	Rogers City Rehab	Rogers City
1022		16	Russell Memorial	Onaway
1023				
1024		17	Otsego County Memorial	Gaylord
1025				
1026		18	Alpena General	Alpena
1027				
1028		19	Kalkaska Memorial	Kalkaska

*This is a hospital that must meet the requirement(s) of Section 14(1)(d).

1031
1032

APPENDIX A (Continued)

Health Service Area	Sub Area	Hospital Name	City
=====			
=			
	19	Leelanau Health Ctr	Northport
	19	Munson Medical Ctr	Traverse City
	19	Paul Oliver Memorial	Frankfort
	20	Mercy	Cadillac
	21	Mercy	Grayling
	24	West Shore Medical	Manistee
8 - Upper Peninsula			
	01	Grand View	Ironwood
	02	Ontonagon Memorial	Ontonagon
	03	Iron County General	Iron River
	04	Baraga County Memorial	L'Anse
	05	Keweenaw Memorial Med Ctr	Laurium
	05	Portage Health System	Hancock
	06	Dickinson Co. Memorial	Iron Mountain
	07	Francis A. Bell Memorial	Ishpeming
	07	Marquette General	Marquette
	08	Bay Area Medical Ctr	Menominee
	09	St. Francis	Escanaba
	10	Munising Memorial	Munising
	11	Schoolcraft Memorial	Manistique
	12	Helen Newberry Joy	Newberry
	13	Chippewa Co. War Mem.	Sault Ste Marie
(a)	licensed sites under single license issued to St. Joseph Hospital of Mt. Clemens		
(b)	licensed sites under single license issued to Battle Creek Health Systems (BCHS)		
(c)	licensed sites under single license issued to Bay Regional Medical Center, Bay City		
(d)	licensed sites under single license issued to Covenant Medical Ctrs, Saginaw		

CERTIFICATE OF NEED REVIEW STANDARDS
FOR HOSPITAL BEDS

Rural Michigan counties are as follows:

Alcona	Gd. Traverse	Missaukee
Alger	Gratiot	Montcalm
Alpena	Hillsdale	Montmorency
Antrim	Houghton	Newaygo
Arenac	Huron	Oceana
Baraga	Ionia	Ogemaw
Barry	Iosco	Ontonagon
Benzie	Iron	Osceola
Branch	Isabella	Oscoda
Cass	Kalkaska	Otsego
Charlevoix	Keweenaw	Presque Isle
Cheboygan	Lake	Roscommon
Chippewa	Leelanau	St. Joseph
Clare	Luce	Sanilac
Crawford	Mackinac	Schoolcraft
Delta	Manistee	Shiawassee
Dickinson	Marquette	Tuscola
Emmet	Mason	Wexford
Gladwin	Mecosta	
Gogebic	Menominee	

Source:

55 F.R., p. 12154 (March 30, 1990)
Statistical Policy Office
Office of Information and Regulatory Affairs
United States Office of Management and Budget

CERTIFICATE OF NEED REVIEW STANDARDS
FOR HOSPITAL BEDS

The hospital bed need for purposes of these standards until otherwise changed by the Commission are as follows:

Health Service Area	SA No.	Subarea (SA)	Bed Need	Bed Inventory 11-4-02*
1 - SOUTHEAST				
	47	HOWELL	69	136
	48	PONTIAC	797	1492
	49	MOUNT CLEMENS	455	770
	50	PORT HURON	248	350
	57	ANN ARBOR	1224	1574
	66	MONROE	121	217
	67	WAYNE	429	855
	68	DEARBORN-WYANDOTTE	833	1561
	69	NORTHWEST DETROIT	2319	2620
	70	NORTHEAST DETROIT	1167	1961
	71	CENTRAL DETROIT	1514	3152
2 - MID-SOUTHERN				
	46	LANSING	718	1143
	56	JACKSON	233	390
	64	HILLSDALE	58	65
	65	ADRIAN	118	191
3 - SOUTHWEST				
	45	HASTINGS	77	89
	51	SOUTH HAVEN	19	82
	53	KALAMAZOO	547	837
	54	BATTLE CREEK	206	341
	55	ALBION	28	0
	58	BENTON HARBOR	204	349
	59	DOWAGIAC	39	74
	60	NILES	57	89
	61	THREE RIVERS	45	60
	62	STURGIS	39	94
	63	COLDWATER	63	102
4 - WEST				
	25	LUDINGTON	69	81
	26	BIG RAPIDS	91	168
	30	HART	13	24
	31	FREMONT	36	61
	37	MUSKEGON	297	568
	38	GRAND RAPIDS	1133	1738
	39	GREENVILLE	44	90
	43	HOLLAND	140	250
	44	IONIA	26	77
	52	ALLEGAN	30	54

*Applicants must contact the Department to obtain the current number of beds in the Department inventory of beds. Note the figures in the Bed Inventory Column do not reflect any data regarding applications for beds under appeal or pending a final Department decision.

Health Service Area	SA No.	Subarea (SA)	Bed Need	Bed Inventory 11-4-02*
5 - GLS				
	40	OWOSSO	98	115
	41	FLINT	843	1241
	42	LAPEER	107	183
6 - EAST				
	22	WEST BRANCH	64	88
	23	TAWAS CITY	38	60
	27	MOUNT PLEASANT	99	182
	28	MIDLAND	193	272
	29	BAY CITY	211	443
	32	ALMA	126	191
	33	SAGINAW	555	994
	34	CASS CITY	30	97
	35	BAD AXE	54	114
	36	THUMB	49	100
7 - NORTHERN LOWER				
	14	CHEBOYGAN	41	46
	15	PETOSKEY	175	288
	16	ROGERS CITY	22	36
	17	GAYLORD	30	53
	18	ALPENA	96	124
	19	TRAVERSE CITY	271	393
	20	CADILLAC	76	97
	21	GRAYLING	51	90
	24	MANISTEE	37	75
8 - UPPER PENINSULA				
	1	WAKEFIELD	39	54
	2	ONTONAGON	8	25
	3	CRYSTAL FALLS	29	36
	4	L'ANSE	14	24
	5	HANCOCK	61	85
	6	IRON MOUNTAIN	68	96
	7	MARQUETTE	179	358
	8	MENOMINEE	0	0
	9	ESCANABA	69	110
	10	MUNISING	7	25
	11	MANISTIQUE	11	25
	12	NEWBERRY	13	25
	13	SAULT SAINT MARIE	41	82

***Applicants must contact the Department to obtain the current number of beds in the Department inventory of beds. Note the figures in the Bed Inventory Column do not reflect any data regarding applications for beds under appeal or pending a final Department decision.**

1228
1229
1230

APPENDIX D

OCCUPANCY RATE TABLE

ADC >=	ADC <	Occup	Beds	ADC >=	ADC <	Occup	Beds
	50.000	0.60	83	101.475	102.225	0.75	136
50.000	51.423	0.61	84	102.225	102.975	0.75	137
51.423	52.886	0.62	85	102.975	103.725	0.75	138
52.886	53.506	0.62	86	103.725	104.475	0.75	139
53.506	54.999	0.63	87	104.475	105.225	0.75	140
54.999	55.629	0.63	88	105.225	107.388	0.76	141
55.629	56.259	0.63	89	107.388	108.148	0.76	142
56.259	57.792	0.64	90	108.148	108.908	0.76	143
57.792	58.432	0.64	91	108.908	109.668	0.76	144
58.432	59.072	0.64	92	109.668	110.428	0.76	145
59.072	60.645	0.65	93	110.428	111.188	0.76	146
60.645	61.295	0.65	94	111.188	111.948	0.76	147
61.295	61.945	0.65	95	111.948	112.708	0.76	148
61.945	63.558	0.66	96	112.708	113.468	0.76	149
63.558	64.218	0.66	97	113.468	114.228	0.76	150
64.218	65.861	0.67	98	114.228	116.501	0.77	151
65.861	66.531	0.67	99	116.501	117.271	0.77	152
66.531	67.201	0.67	100	117.271	118.041	0.77	153
67.201	68.884	0.68	101	118.041	118.811	0.77	154
68.884	69.564	0.68	102	118.811	119.581	0.77	155
69.564	70.244	0.68	103	119.581	120.351	0.77	156
70.244	71.967	0.69	104	120.351	121.121	0.77	157
71.967	72.657	0.69	105	121.121	121.891	0.77	158
72.657	73.347	0.69	106	121.891	122.661	0.77	159
73.347	75.110	0.70	107	122.661	123.431	0.77	160
75.110	75.810	0.70	108	123.431	124.201	0.77	161
75.810	76.510	0.70	109	124.201	124.971	0.77	162
76.510	78.313	0.71	110	124.971	127.374	0.78	163
78.313	79.023	0.71	111	127.374	128.154	0.78	164
79.023	79.733	0.71	112	128.154	128.934	0.78	165
79.733	80.443	0.71	113	128.934	129.714	0.78	166
80.443	82.296	0.72	114	129.714	130.494	0.78	167
82.296	83.016	0.72	115	130.494	131.274	0.78	168
83.016	83.736	0.72	116	131.274	132.054	0.78	169
83.736	84.456	0.72	117	132.054	132.834	0.78	170
84.456	85.176	0.72	118	132.834	133.614	0.78	171
85.176	87.089	0.73	119	133.614	134.394	0.78	172
87.089	87.819	0.73	120	134.394	135.174	0.78	173
87.819	88.549	0.73	121	135.174	135.954	0.78	174
88.549	89.279	0.73	122	135.954	136.734	0.78	175
89.279	90.009	0.73	123	136.734	137.514	0.78	176
90.009	90.739	0.73	124	137.514	140.067	0.79	177
90.739	91.469	0.73	125	140.067	140.857	0.79	178
91.469	93.462	0.74	126	140.857	141.647	0.79	179
93.462	94.202	0.74	127	141.647	142.437	0.79	180
94.202	94.942	0.74	128	142.437	143.227	0.79	181
94.942	95.682	0.74	129	143.227	144.017	0.79	182
95.682	96.422	0.74	130	144.017	144.807	0.79	183
96.422	97.162	0.74	131	144.807	145.597	0.79	184
97.162	97.902	0.74	132	145.597	146.387	0.79	185
97.902	99.975	0.75	133	146.387	147.177	0.79	186
99.975	100.725	0.75	134	147.177	147.967	0.79	187
100.725	101.475	0.75	135	147.967	148.757	0.79	188

ADC >=	ADC <	Occup	Beds
148.757	149.547	0.79	189
149.547	152.240	0.80	190
152.240	153.040	0.80	191
153.040	153.840	0.80	192
153.840	154.640	0.80	193
154.640	155.440	0.80	194
155.440	156.240	0.80	195
156.240	157.040	0.80	196
157.040	157.840	0.80	197
157.840	160.623	0.81	198
160.623	161.433	0.81	199
161.433	162.243	0.81	200
162.243	163.053	0.81	201
163.053	163.863	0.81	202
163.863	164.673	0.81	203
164.673	165.483	0.81	204
165.483	166.293	0.81	205
166.293	169.166	0.82	206
169.166	169.986	0.82	207
169.986	170.806	0.82	208
170.806	171.626	0.82	209
171.626	172.446	0.82	210
172.446	173.266	0.82	211
173.266	174.086	0.82	212
174.086	174.906	0.82	213
174.906	175.726	0.82	214
175.726	178.699	0.83	215
178.699	179.529	0.83	216
179.529	180.359	0.83	217
180.359	181.189	0.83	218
181.189	182.019	0.83	219
182.019	182.849	0.83	220
182.849	183.679	0.83	221
183.679	184.509	0.83	222
184.509	185.339	0.83	223
185.339	186.169	0.83	224
186.169	189.252	0.84	225
189.252	190.092	0.84	226
190.092	190.932	0.84	227
190.932	191.772	0.84	228
191.772	192.612	0.84	229
192.612	193.452	0.84	230
193.452	194.292	0.84	231
194.292	195.132	0.84	232
195.132	195.972	0.84	233
195.972	196.812	0.84	234
196.812	197.652	0.84	235
197.652	198.492	0.84	236
198.492	199.332	0.84	237
199.332	200.172	0.84	238
200.172		0.85	

1231
1232

**MICHIGAN DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH AND MEDICAL AFFAIRS**

**CERTIFICATE OF NEED REVIEW STANDARDS FOR HOSPITAL BEDS
-- ADDENDUM FOR PROJECTS FOR HIV INFECTED INDIVIDUALS --**

(By authority conferred on the Certificate of Need Commission by sections 22215 and 22217 of Act No. 368 of the Public Acts of 1978, as amended, and sections 7 and 8 of Act No. 306 of the Public Acts of 1969, as amended, being sections 333.22215, 333.22217, 24.207, and 24.208 of the Michigan Compiled Laws.)

Section 1. Applicability; definitions

Sec. 1. (1) This addendum supplements the Certificate of Need Review Standards for Hospital Beds and may be used for determining the need for projects established to meet the needs of HIV infected individuals.

(2) Except as provided by sections 2 and 3 below, these standards supplement and do not supercede the requirements and terms of approval required by the Certificate of Need Review Standards for Hospital Beds.

(3) The definitions that apply to the Certificate of Need Review Standards for Hospital Beds apply to these standards.

(4) "HIV infected" means that term as defined in Section 5101 of the Code.

(5) Planning area for projects for HIV infected individuals means the State of Michigan.

Section 2. Requirements for approval; change in bed capacity

Sec. 2. (1) A project which, if approved, will increase the number of licensed hospital beds in an overbedded subarea or will result in the total number of existing hospital beds in a subarea exceeding the needed hospital bed supply as determined under the Certificate of Need Review Standards for Hospital Beds may, nevertheless, be approved pursuant to subsection (3) of this addendum.

(2) Hospital beds approved as a result of this addendum shall be included in the Department inventory of existing beds in the subarea in which the hospital beds will be located. Increases in hospital beds approved under this addendum shall cause subareas currently showing a current surplus of beds to have that surplus increased.

(3) In order to be approved under this addendum, an applicant shall demonstrate all of the following:

(a) The Director of the Department has determined that action is necessary and appropriate to meet the needs of HIV infected individuals for quality, accessible and efficient health care.

(b) The hospital will provide services only to HIV infected individuals.

(c) The applicant has obtained an obligation, enforceable by the Department, from existing licensed hospital(s) in any subarea of this state to voluntarily delicense a number of hospital beds equal to the number proposed in the application. The effective date of the delicensure action will be the date the beds approved pursuant to this addendum are licensed. The beds delicensed shall not be beds already subject to delicensure under a bed reduction plan.

(d) The application does not result in more than 20 beds approved under this addendum in the State.

(4) In making determinations under Section 22225(2)(a) of the Code, for projects under this addendum, the Department shall consider the total cost and quality outcomes for overall community health systems for services in a dedicated portion of an existing facility compared to a separate aids

1287 facility and has determined that there exists a special need, and the justification of any cost increases in
1288 terms of important quality/access improvements or the likelihood of future cost reductions, or both.

1289
1290 **Section 3. Project delivery requirements--additional terms of approval for projects involving HIV**
1291 **infected individuals approved under this addendum.**
1292

1293 Sec. 3. (1) An applicant shall agree that, if approved, the services provided by the beds for HIV
1294 infected individuals shall be delivered in compliance with the following terms of certificate of need
1295 approval:

1296 (a) The license to operate the hospital will be limited to serving the needs of patients with the clinical
1297 spectrum of HIV infection and any other limitations established by the Department to meet the purposes
1298 of this addendum.

1299 (b) The hospital shall be subject to the general license requirements of Part 215 of the Code except
1300 as waived by the Department of Consumer & Industry Services to meet the purposes of this addendum.

1301 (c) The applicant agrees that the Department of Consumer & Industry Services shall revoke the
1302 license of the hospital if the hospital provides services to inpatients other than HIV infected individuals.

1303
1304 **Section 4. Comparative reviews**
1305

1306 Sec. 4. (1) Projects proposed under Section 3 shall be subject to comparative review.